

CHAPTER – 12

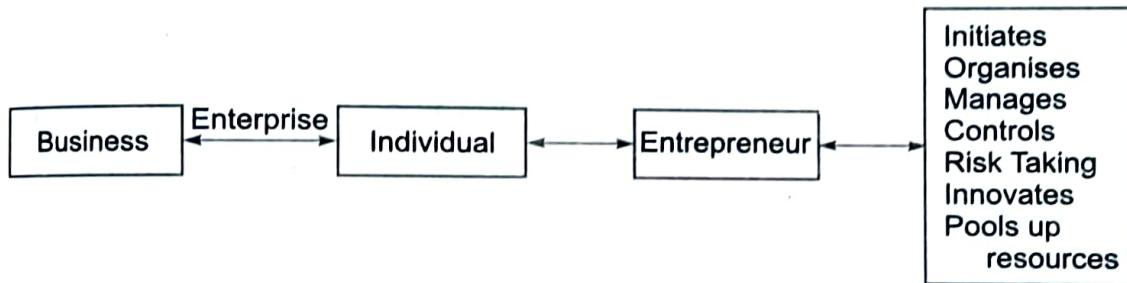
ENTREPRENEURSHIP

Q.B) Define term Entrepreneur. Explain Stages of entrepreneurial process

12.1 INTRODUCTION

1) Entrepreneurship is a trait possessed by an entrepreneur. The spirit of enterprise makes a person an entrepreneur. Entrepreneur thus is an innovator, who carries out new combinations in ever-changing environment to initiate and accelerate the process of economic, social and technological development.

2) "An entrepreneur is one who always searches for changes, responds to it and exploits it as an opportunity" – Peter F. Drucker



A model of entrepreneurship

1) An entrepreneur is an economic agent who plays an important role in the economic development of a country. He possesses required knowledge, skills, initiative, drive and spirit of innovation and aims to achieve goals. He identifies opportunities and grabs them for economic benefits.

2) Entrepreneurship is a dynamic activity which helps the entrepreneur to bring changes in the process of production, innovations in business, new ideas and usages of resources, establishing new markets etc.

12.2 ENTREPRENEUR

12.2.1 Meaning and evolution of concept:

The term "Entrepreneur" is defined in variety of ways. It varies from country to country, time to time and the level of economic development. The word "entrepreneur" is derived from the French verb "entreprendre" which means "to undertake". In 16th century, the Frenchmen who organized and led military expeditions were referred to as "entrepreneurs". In early 18th century

French economist Richard Cantillon used the word entrepreneur to business. Since then the word entrepreneur is used to one who takes the risk of starting new organization or business or introducing a new idea, product or service to society.

According to Joseph Schumpeter "An entrepreneur in an advanced economy is an individual who introduces something new in the economy a method of production not yet tested by experience in the branch of manufacture concerned, a product with which consumers are not yet familiar, a new source of raw materials or of new markets and the like". Accordingly to him the functions of an entrepreneurship are:

- Introduction of new product
- Introduction of new methods of production
- Development of new markets and finding fresh sources of raw materials and
- Making changes

Cantillon defined entrepreneur as "The agent who buys factors of production at certain prices in order to combine them into a product with a view to selling it at uncertain prices in future".

To summarise, "an entrepreneur is the person who bears risk, unites various factors of production, to explore the perceived opportunities in order to evoke demand, create wealth and employment".

12.2.2 Characteristics of Entrepreneur:

An entrepreneur is a highly goal oriented, enthusiastic and energetic individual. A good entrepreneur should possess the following characteristics.

- (i) Action-oriented, highly motivated and ready to take risk at all levels to achieve the goal.
- (ii) Should have unwavering determination and commitment.
- (iii) Creativeness and result oriented, hard working.
- (iv) Accepts responsibilities with enthusiasm.
- (v) Self confident, dedicated and self disciplined.
- (vi) Both thinker and doer, planner and worker.
- (vii) Future vision, intelligent, imaginative and self-directed.

12.2.3 Qualities of an entrepreneur:

The important qualities of an entrepreneur are:

- (i) **Success and achievement:** The entrepreneurs are self directed to achieve goals.

- Qualities of an entrepreneur*
- (ii) **Risk bearer:** He accepts risk, understand and manage risk.
 - (iii) **Opportunity explorer:** He always identifies opportunities and explores them.
 - (iv) **Planner:** He is a good planner and doer. He plans and follows the plans sincerely to achieve the goals.
 - (v) **Stress taker:** He should accept and bear any amount of stresses that may evolve in the business.
 - (vi) **Facing uncertainties:** They should face the uncertainties and unexpected outcomes and accept them.
 - (vii) **Independent:** He is an independent person and likes to be his own master. He is a job given and not job seeker.
 - (viii) **Flexible:** He is an open minded person, flexible to adopt to demanding situational changes.
 - (ix) **Self-confident:** He directs his abilities towards the accomplishment of goals.
 - (x) **Motivator:** He initiates and influences people, motivates the people to accomplish the goals.

12.3 FUNCTIONS OF AN ENTREPRENEUR:

An entrepreneur performs all the necessary functions that are essential from the point of establishing and developing the enterprise.

The functions are broadly classified into three groups.

- Primary functions
- Other functions and
- Functions important for developing countries.

The various functions and their sub functions are mentioned in the following table.

Functions of Entrepreneur

PRIMARY FUNCTION	OTHER FUNCTIONS	FUNCTIONS IMPORTANT FOR DEVELOPING COUNTRIES
1. Planning	1. Diversification of production	1. Management of scarce resources
2. Organising	2. Expansion of the enterprise	2. Dealing with public
3. Decision making	3. Maintaining cordial employer and employee relations	3. Engineering

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4. Management	4. Talking labour problems	4. New product development
5. Innovation	5. Coordination with outside agencies	5. Parallel opportunities
6. Risk bearing		6. Marketing
7. Leading		7. Management
8. Controlling		8. Customer relation

Primary Functions

- (i) **Planning:** Like in any other activity, planning is a first step of entrepreneur. He prepares his plan of proposed project or business in a very systematic way. Planning involves
 - Study of various ideas
 - Scanning and selecting the best idea
 - Selection of product line and location of plant
 - Deciding the type of business organization
 - Preparation of budget and identifying capital sources
 - Studying the government rules, regulations and policies
 - Study and selection of work force
 - Study and selection of marketing strategies
- (ii) **Organisation:** An entrepreneur coordinates and supervises the various tasks of organizing for optimal utilization of resources.
- (iii) **Decision making:** He has to take effective decisions with regard to business objectives of the enterprise, arrangement of resources and facilities like men, material, machines, money, methods, technology etc., development of a market for the product and maintain good relationship with others.
- (iv) **Management:** It refers to managing of the day-to-day problems. These include future expansion and policies in long run.
- (v) **Innovation:** He should be innovative in launching of new product, introduction of new technology in production line, creation of new market, new or better source of raw material.
- (vi) **Risk bearing:** He should undertake responsibility of risk due to unforeseen situations.

In addition to these primary functions, entrepreneur has to perform other functions and functions important for developing countries.

The other functions are: diversification of production, expansion of the enterprise, maintaining cordial relations with employer and employees, attending to and resolving the labour problems and coordination with outside agencies for the well being of the enterprise.

The functions of an entrepreneur with reference to the underdeveloped countries include wide range of activities like: management of scarce resources, dealing with public, engineering, new product development looking out for parallel opportunities, marketing, management of customers and supplier relations etc.

12.4 TYPES OF ENTREPRENEUR

The entrepreneurs have been broadly classified according to the type of business, use of professional skill, motivation, growth and stages of development as given below:

(a) According to the type of business

- (i) Business entrepreneur
- (ii) Trading entrepreneur
- (iii) Industrial entrepreneur
- (iv) Corporate entrepreneur
- (v) Agricultural entrepreneur
- (vi) Retail entrepreneur
- (vii) Service entrepreneur etc.

(b) According to the use of technology

- (i) Technical entrepreneur or non technical entrepreneur
- (ii) Professional entrepreneur
- (iii) Low tech or high tech entrepreneurs.

(c) According to motivation

- (i) Pure entrepreneur
- (ii) Induced entrepreneur
- (iii) Motivated entrepreneur
- (iv) Spontaneous entrepreneur

(d) According to the growth

- (i) Growth entrepreneur
- (ii) Super growth entrepreneur

(e) According to the stages of development

- (i) First generation entrepreneurs
- (ii) Modern entrepreneurs
- (iii) Classical entrepreneurs

(f) According to the area

- (i) Urban entrepreneur
- (ii) Rural entrepreneur

(g) According to age and gender

- (i) Young entrepreneur
- (ii) Old entrepreneur
- (iii) Male entrepreneur
- (iv) Female entrepreneur

(h) According to the scale of operation

- (i) Small scale entrepreneur
- (ii) Medium scale entrepreneur
- (iii) Large scale entrepreneur

(i) Other type

- (i) Professional and non professional entrepreneur
- (ii) Modern entrepreneur
- (iii) Traditional entrepreneur
- (iv) Skilled and non-skilled entrepreneur
- (v) Forced entrepreneur
- (vi) Inherited entrepreneur
- (vii) National or International entrepreneur etc.

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(a) Entrepreneurs according to the type of business.**(i) Business entrepreneurs:**

Business entrepreneurs are individuals who conceive an idea for a new product or service leading to new business. He deals with product development, marketing and sales.

(ii) Trading entrepreneurs:

Trading entrepreneur is one who undertakes trading activities and is not concerned with the manufacturing work. He is engaged in only trading.

(iii) Industrial entrepreneurs:

Industrial entrepreneur is generally a manufacturer who identifies the potential needs of customers and tailors a product or service to meet the marketing needs.

(iv) Corporate entrepreneurs:

Corporate entrepreneur demonstrates his innovative skill in organizing and managing corporate undertaking.

(v) Agricultural entrepreneur:

Agricultural entrepreneurs undertake agricultural activities such as raising and marketing of crops, fertilizers and other inputs of agriculture. They cover a broad spectrum of the agricultural sector and includes its related areas.

(b) Entrepreneurs according to technology**(i) Technical entrepreneur:**

Technical entrepreneur also called as "craftsman", develops improved quality goods. His concentration is oriented towards manufacture than marketing and selling. His aim is to develop quality goods using his innovative ideas and craftsmanship.

(ii) Non-technical entrepreneur:

Non-technical entrepreneur is not concerned with technical aspects of a product. They are mainly concerned with development of alternative marketing and distribution strategies to promote their business.

(iii) Professional entrepreneurs:

Professional entrepreneur is a person whose interest is to establish a business but does not deal with its management and organizing it. Generally speaking a professional entrepreneur sells out the established business and starts another venture. He is very dynamic who keeps on conceiving and venturing new ideas.

(c) Entrepreneurs according to motivation:**(i) Pure entrepreneur:**

A pure entrepreneur is a person who gets motivated by psychological and not by economic rewards. He works for his own satisfaction or for his own status.

(ii) Induced entrepreneur:

An induced entrepreneur is one who is induced to take up a task due to policy measures that provide assistance, incentives, and concessions etc., to start an enterprise. Many small scale industries are started by people because government and institutions are giving support and lots of concessions.

(iii) Motivated entrepreneur:

New entrepreneurs are motivated by the desire for self-fulfillment. They come into existence because of the possibility of making and marketing some new product.

(iv) Spontaneous entrepreneurs:

This type of entrepreneur start their business by natural talents inherent in them. They possess traits like initiative, boldness and self confidence which motivate them to take up entrepreneurship.

(d) According to growth:

Growth of an enterprise may be termed as low, medium, high or super high growth. The development of a new venture leads to a chance of growth. Growth entrepreneurs are those who take up an industry with substantial growth prospects. On the other hand, super growth entrepreneurs show enormous growth performance in any venture they take up.

(e) According to stages of development:**(i) First generation entrepreneur:**

A first generation entrepreneur is one who starts an industrial unit by his own innovative ideas and skills.

(ii) Modern entrepreneur:

A modern entrepreneur is one who undertakes those projects that are well needed and suited for changing demands.

(iii) Classical entrepreneur:

A classical entrepreneur is one who is concerned with the customers and marketing needs while developing a new venture.

(f) Others**(i) Innovative entrepreneur:**

Innovative entrepreneur is one who sees the opportunity for introducing a

new technique of production process or a new product or a new market or a new service using his innovative ideas.

(ii) Initiative entrepreneur:

Initiative entrepreneur are revolutionary and take lot of initiative in any work. He can set in motion the chain reaction which leads to cumulative progress. He is more an organiser of factors of production than a creator.

12.5 INTRAPRENEUR:

Intrapreneurship is the entrepreneurship with in an existing business structure. It is used to bridge the gap between science and market place. Existing business will have the financial resources, necessary skills to carry out business, the marketing and distribution systems to commercialise the innovation. But many times, in bureaucratic structure, due to the focus on short-term profits and a highly structured organization, prevent creativity and development of new products. As a result the organizations who have recognized these innovative factors and need for creativity, have attempted to establish an intrapreneurial spirit in their organisations. In the present era of competition, the need for new products and the intrapreneurial spirit have become so great that more and more companies are developing an intrapreneurial environment.

The differences in the entrepreneurial and managerial domains have contributed towards an increased need for intrapreneurship. This need is growing due to variety of events occurring on social, cultural and business levels. In social level, there is an increasing interest in 'doing your own thing' and doing it on one's own terms. Some individuals having self confidence, self motivation and belief in their own talents, often desire to innovate new things on their own. They want to own responsibilities, and to work in their own way. They become frustrated if this freedom is not given to them and get demotivated. Intrapreneurship is one such method of providing freedom, stimulating and capitalizing on individuals in an organization who think that things can be done in different and better way.

The resistance against flexibility, growth and diversification can be overcome by developing a spirit of entrepreneurship within the organization which is called as intrapreneurship. An increase in intrapreneurship reflects a proportionate increase in social, cultural and business pressures. Intrapreneurship is reflected more strongly in entrepreneurial activities and also in top management.

Elements of intrapreneurship:

The intrapreneurship has four important elements.

(i) New business venturing:

This is the corporate venturing, the creation of new business within the organization. This includes redefining the company's products or services, development of new market segment or formation of new corporate ventures.

(ii) Innovations:

Innovation is the development of new products, improvement of existing products, development of improved and simplified production methods and procedures.

(iii) Self-renewal:

This is the transformation of an organization through the renewal of main ideas. This includes a redefinition of a business concept, reorganization or modifications in the system with an aim to initiate innovating.

(iv) Proactiveness:

Proactiveness includes initiative and risk taking, competitiveness and dashingly to take new challenges. Organisations with this type of pro activeness spirit will lead the market than follow the competitors.

Brief comparison of intrapreneurs, entrepreneurs and managers is given below:

Point	Intrapreneur	Entrepreneur	Manager
1. Goal management	Independent, innovates new ideas	Independent, starts new venture and leads direct involvement.	Delegates and supervises more than direct involvement
2. Status	Not concerned about traditional status, but wants recognition.	Not concerned about status	Concerned about status symbol
3. Risk	Owns moderate risk	Bears all the risk and uncertainty	Does not bear any risk.
4. Rewards	Gets fixed reward for his work. Many get extra for	Since there is risk, he may get profit or loss depending	Works for salary for his service which is fixed and

	his innovations	on outcome.	
5. Innovation	Innovative	Very innovative	Need not be innovative. He manages the ideas of top management
6. Decision making	Moderate, limited to his work.	Very much involved in decision making	Delegates the decisions of top management

12.6 ENTREPRENEURSHIP**12.6.1 Concept of entrepreneurship:**

Entrepreneurship is a process undertaken by an entrepreneur to augment his business interests. Some authors define it as "Entrepreneurship is the invisible process flourishes, when the interlinked dimensions of individual psychological entrepreneurship, entrepreneur traits, social encouragement, business opportunities, Government policies, availability of resources and opportunities coverage towards the common good, development of the society and economy".

Entrepreneurship lies more in the ability to minimize the use of resources and to put them to maximum advantage. Above all, entrepreneurship in today's context is the product of teamwork and the ability to create, build and work as a team.

Entrepreneurship is the process of identifying opportunities in the market place, arranging the resources required to pursue these opportunities and investing the resources to exploit the opportunities for better gains.

Higgins defined entrepreneurship as "the function of foreseeing investment and production opportunities, organizing an enterprise to undertake a new production process, raising capital, hiring labour, arranging the supply of raw materials, finding site, introducing new technique, discovering new source of raw materials and selecting top managers for day-to-day operation.

Cole's definition for entrepreneurship is "the purposeful activity of an individual or a group of associated individuals undertaken to initiate, maintain or organize profit by production or distributing of economic goods and services".

All the above definitions highlight the risk bearing, innovating and resource organizing, achieving goal through production of goods or services.

12.6.2 Characteristics of entrepreneurship:

The process of entrepreneurship is a complex one having multidimensional characteristics. The following are some of the commonly accepted characteristics suggested by experts.

(i) Innovation

Entrepreneurship involves innovation of new things to effect dynamic changes and good success in economy. It should create conditions for growth of the economy.

(ii) Risk-taking

Risk is an inbuilt element of any business. Entrepreneurship should be risk bearing to cater uncertainty of future.

(iii) Skillful management

Entrepreneurship brings together various functions of the management – planning, organizing, staffing, directing, controlling and leading.

(iv) Organisation

It brings together various facilities of production for an efficient and economical use.

(v) Decision making

Decision-making is a very vital characteristic of an entrepreneurship. Taking decisions at all levels and stages of an entrepreneurship is a routine task.

(vi) Making the enterprise a success

Entrepreneurship is mainly an economic activity as it deals with creating and operating an enterprise. It involves in satisfying the needs of customers with the help of production and distribution of goods and services. This makes the enterprise a success.

12.7 EVOLUTION OF ENTREPRENEURSHIP

Entrepreneurship existed even in very early stages in different kinds. Its evolution is discussed below.

(I) Early period:

An early example of entrepreneurship is known to be the example of Marco Polo who tried to trade routes to the Far East. He used to sign a contract with a venture capitalist to sell his goods. The capitalist was the risk bearer, the merchant-adventurer took the role of trading, bearing all physical and other risks. After his successful selling of goods and completing his trip, the profits were shared by the capitalist and merchant.

(II) Middle ages:

In the middle ages, the term entrepreneur was referred to a person who was managing large projects. He was not taking any risk but was managing the projects using the resources provided. Some examples are the cleric who used to be incharge of big architectural works like castles, cathedrals etc.

(III) 17th Century:

During 17th century, an amalgamation of risk with entrepreneurship had evolved. A person (entrepreneur) used to enter into a contractual agreement with government to perform a service or to supply some goods. This involved some risk since the contract price was fixed and the profit or loss was borne by the entrepreneur.

Cantillon, a noted author developed one of the early theories of he entrepreneurship during 17th Century. He viewed the entrepreneur as the risk taker, observing that merchants, formers, craftsmen, buy at a certain price and sell at an uncertain price, hence operating at risk.

(IV) 18th and 19th Century

As a result of industrialization during 18th century the person with capital (capitalist) is differentiated from the person who needs capital (entrepreneur). Many of the technical inventors did not have money to turn their inventions into products. Hence some capitalists had to finance them.

(V) 20th Century:

During this, the entrepreneurs were not distinguished from managers and were viewed mostly from the view of economy. The entrepreneur organises and operates an enterprise for personal gains. He takes risk, contributes his own initiative, skills, he plans, organizes and leads his enterprise. He owns and bears

the loss or gain. In the middle or 20th century, the notion of an entrepreneur as an innovator was established.

The ability to innovate could be seen throughout history from the Egyptians who had designed, planned and erected pyramids with very heavy stone blocks, to the space launching technology, to a cell phones to an artificial pace maker in human heart. Although the tools have changed with advances in science and technology, the ability to innovate and risk taking has been present in all generations.

12.8 DEVELOPMENT OF ENTREPRENEURSHIP

The development of entrepreneurship started in the olden days. Ancient people invented wheel, fire by robbing stores, spears to hunt animals, new ways and means of cultivation etc. Then came the era of boats and ships opening the doors of trade at far places. The invention of steam engine revolutionized sea and land transportation. Eventually the industrial revolution during 19th century led to better and modern techniques of entrepreneurship.

The noteworthy pioneers of this era are Colt who invented fire power for weapons, Whitney who invented 'gin' which revolutionized spinning of cotton and Morse's telegraph that changed the life of communication. During 20th century foundation of modern industry was laid. America became leading industrial country. American steel industry was founded by Andrew Carnegie, Henry Ford started automobiles in a very big way. Though Henry Ford was not an inventor, he was a great entrepreneur.

The contemporary period of entrepreneurship began with innovators such as McCormick, who revolutionized mechanical reaper in agriculture, Alexander Graham Bell who invented telephone, Thomas Alva Edison who invented Electric bulb, Gillet who invented safety razor etc.

In the Indian context, pioneers like Jamshedji Tata, Birla etc., though not inventors, were great entrepreneurs who contributed to the technical and economic growth of India.

All these entrepreneurs have been responsible for noteworthy innovators that charged the human life for better. IBM converted the mechanical type writer to a electrically operated one. Apple developed Personal Computers.

Today, we consider some companies as giants in innovations and entrepreneurial ventures. To name some, Microsoft for office software, Sony for electric goods, Ford for cars, Intel for Micro electronics and I.C.s, Sun Micro systems for Electronic workstations etc.

In all above examples, starting from early period to today's entrepreneurs, there have been enthusiastic individuals who went out and extended their hands

to create new ventures which created new avenues and satisfied needs of people.

12.9 STAGES IN ENTREPRENEURIAL PROCESS:

The process of starting a new venture is the main theme of entrepreneurial process which involves more than just problem solving in any typical management position. An entrepreneur must find, evaluate and develop an opportunity by overcoming the problem that arise in developing something new. This process has five important stages:

- (i) Identification of an opportunity
- (ii) Evaluation of the opportunity
- (iii) Preparation of the business plan
- (iv) Determination and organizing the resources
- (v) Management of the enterprise.

(i) Identification of opportunity:

The first step in the entrepreneurial process is the identification of opportunity. This may be from his own idea or from external sources like consumers and business associates, members of distribution system, independent technical organizations, consultants, etc. Consumers are the best source of ideas for a new venture who spells out the need of a product or service. The business associates also can give ideas of a product or service.

Due to the close contact with the end user, member of distribution system also see product needs one can identify new business opportunities through a discussion with a retailer, wholesalers or a trade representative.

Some individuals are highly technical oriented and are not interested in any entrepreneurship. Such people conceptualise new business opportunities that can be given to the interested. Some government organizations and R & D centers also provide new ideas.

(ii) Evaluation of the opportunity

The opportunity identified by using either input from consumers, business associates, channel members or technical people, must be carefully screened and evaluated. This evaluation is perhaps the most critical element of the entrepreneurial process as it allows the entrepreneur to assess whether the specific product or service provides sufficient return on investment. The evaluation process involves looking at the length of opportunity, its real and perceived value, its risks and returns, its fit with personal skills and goals of the

entrepreneur and its uniqueness or differential advantage in its competitive environment.

The length of opportunity and the market size and share are two main aspects for deciding the risk and gains or profits. SWOT (strengths, weaknesses, opportunities and threats) analysis is one of the useful analysis tools. Strength and weakness are internal factors and related to the organization and opportunities and threats are external and related to the environment and competition. The risks reflect the market, competition, technology and amount of capital involved. The capital invested forms the basis for returns and profits. The opportunity must finally fit the personal skills and goals of the entrepreneur. It is very important that the entrepreneur must be able to put forth the necessary time and effort needed to see the venture succeed. An over all opportunity assessment plan is prepared to evaluate the opportunity. Unlike a business plan, this is a short one, focuses only on the opportunity with risks and rewards and makes it clear whether or not to go with it.

This plan includes:

- description of product or service
- agreement of opportunity
- assessment of the entrepreneur and his team
- resources needed
- amount and source of capital needed
- rewards and profit expected.

(iii) Development of a business plan:

To achieve the proposed business opportunity, a well defined business plan need to be developed. This is a tedious and time consuming activity of the entrepreneurial process. The business plan should contain the following in order.

- 1. Title of project, table of contents and executive summary.
- 2. Description of business and industry.
- 3. Technology plan.
- 4. Financial plan.
- 5. Organization plan.
- 6. Production and operation plan.
- 7. Marketing and distribution plan.
- 8. Summary of plan.

A good business plan is very essential to develop the opportunity and determine the resources received, pooling up the resources for successful managing of the proposed venture.

(iv) Determination and organizing the resources

This process begins with the assessment of present resources. Enough care must be taken not to underestimate the amount and nature of resources required. The risk involved with insufficient or incorrect resources should be calculated. Organising the required resources at the appropriate time is another important aspect of entrepreneurial process. Alternative sources of supply, process of manufacture etc., are to be planned.

(v) Management of Enterprise

After resources are acquired, the entrepreneur must use them to implement the business plan. The operational problems of the growing enterprise must also be examined. This calls for a management with all functions like planning, organizing, staffing, directing and controlling.

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12.10 ROLE OF ENTREPRENEUR IN ECONOMIC DEVELOPMENT

The role of entrepreneurs in economic development involves more than just increasing the output and income; it involves initiating and effecting the change in the structure of business or society. This change gives way to growth and higher output that leads to higher profits. Innovation plays very important role in economic growth both in developing new products or services and stimulating idea of investment in new ventures. This new investment works on both the demand and supply sides of growth. The new capital created expands the capacity for growth on supply side and the resultant new spending brings new capacity and increased output on demand side.

In spite of the importance of investment and innovation in the economic development of an area, there is little awareness of the product evolution process. This is the process through which innovation develops and commercialises through the entrepreneur's activity which in turn results in economic growth.

Entrepreneur bridges the gap between science and the market place, creating new enterprises and brings new products and services into the market. Those activities of an entrepreneur significantly effect the economy of an area by building economic base and providing jobs. In some areas entrepreneur creates new products and new employment. Thus entrepreneur thrusts impact and plays vital role both in overall economic development and creating employment to people.